

October 4, 2008

**PRELIMINARY
MINUTES**

KANSAS ELECTRICAL TRANSMISSION AUTHORITY

June 27, 2008
Sedgwick County Extension Office
Wichita, Kansas

Members Present

Representative Carl Holmes, Chairperson
Earnie Lehman, Vice-Chairperson
Tim McKee, Secretary
Les Evans
Senator Janis Lee

Members Absent

Senator Jay Emler
Representative Annie Kuether

Staff Present

Raney Gilliland, Kansas Legislative Research Department
Corey Carnahan, Kansas Legislative Research Department
Rebecca Wempe, Stevens & Brand, LLP

Morning Session

The meeting was called to order by Chairperson Holmes at 9:10 a.m.

The Chairperson asked for an amendment to the agenda to discuss a trip for Mr. McKee to attend a meeting of transmission infrastructure authorities in Wyoming. The Chairperson also asked for an amendment adding Jay Caspary from the Southwest Power Pool (SPP) to the agenda. *Mr. McKee made, and Mr. Evans seconded, a motion to amend and approve the agenda. The motion passed.*

The Chairperson asked for correction and approval of the March minutes. *Mr. McKee made, and Mr. Evans seconded, a motion to approve the minutes as printed. The motion passed.*

After a review of expenditures, there were no questions from Board members regarding the FY 2008 expenditures to date. (Attachment 1)

Ms. Rebecca Wempe, Counsel for the Board, was recognized to address a proposed by-law amendment regarding official travel by the Board and Board staff (Attachment 2). The Chairperson opened the floor for discussion of the amendment. The Chairperson noted the new by-laws provision will allow members to be reimbursed for all KETA related business. *Mr. Lehman made, and Mr. Evans seconded a motion to amend the by-laws by adopting the provision as presented. The motion passed.*

Ms. Wempe then addressed extending the Board's contract for legal services with Stevens & Brand, LLP (Attachment 3). *A motion was made, and seconded, to approve extending legal services with Stevens & Brand pursuant to the contract amendment presented. The motion passed.*

The Chairperson sought to establish the funds for each Board member to attend one transmission meeting per year. *Mr. McKee made, and Mr. Lehman seconded, a motion to establish travel funds for the Board allowing for one individual out-of-state trip for Board business per member each year. The motion passed.*

The Board considered a travel request for Mr. McKee to attend an infrastructure meeting in Jackson Hole, Wyoming. *Mr. Lehman made, and Mr. Evans seconded, a motion to allow for travel funds for Mr. McKee to represent the Board at an infrastructure meeting in Wyoming. The motion passed.*

The Chairperson introduced a map from a June, 2008 Southwest Power Pool Meeting (SPP). He announced that the Board would meet at an SPP transmission planning summit in Little Rock, Arkansas on August 13, 2008. *Mr. McKee made, and Mr. Lehman seconded, a motion to approve travel for the Board and staff to the SPP Transmission Planning Summit in Little Rock The motion passed.*

The Chairperson provided time for updates on the transmission projects that are announced or in progress. He recognized Larry Holloway, Kansas Corporation Commission (KCC), to present information on transmission projects under consideration by the KCC. Mr. Holloway provided a list of recent transmission dockets and discussed each in greater detail throughout his presentation (Attachment 4). He discussed the ITC V Plan transmission line from Spearville to the new Comanche County substation.

Mr. Holloway then discussed the application by Prairie Wind Transmission, LLC for a Certificate of Convenience and Necessity to operate as a Public Utility. He noted that 50 percent is owned by Westar and 50 percent is owned by Electric Transmission America, LLC. If the Certificate is granted the KCC would then be faced with competing transmission line siting applications from ITC Great Plains and Prairie Wind Transmission, LLC. Mr. Lehman asked if the KCC could issue two permits and defer a final decision on who would construct the line. Mr. Holloway responded by indicating the KCC would likely issue a single permit to prevent confusing and wasteful duplicative expenses and procedures, like right of way negotiations and public hearings for multiple line routes. The Chairperson asked about the timetable for issuing a permit, Mr. Holloway responded that the goal is to issue a permit by the end of the year.

Mr. Holloway provided the Board with an update on the SPP Cost Allocation Working Group (CAWG), and concluded his presentation by discussing potential changes to base plan funding mechanisms and to regional transmission. Mr. Lehman asked about the accreditation of wind generating capacity. Mr. Holloway indicated the SPP is looking at putting more detail related to this issue in its modeling, perhaps with a joint effort between SPP and Electric Power Research Institute in the future. The operating history of a particular wind installation will be given consideration in determining capacity accreditation. Mr. Evans inquired about the allocation of wind energy related transmission costs.

The Chairperson recognized Jay Caspary, SPP, to provide an overview of SPP activities. Mr. Caspary also discussed SPP's work on integrating two Nebraska utilities into SPP.

Mr. Lehman inquired about the ending date for the aggregate study process. Mr. Caspary responded that studies one and two will need to be combined until various changes can be put into place. He also noted the role of wind farms in future projects and the work that is necessary to deliver that wind energy. The Chairperson asked about companies in the southeast and their feelings about a national RPS and if lines were going to be extended into New Mexico. Mr. Caspary replied that The Southern Company is not assisting in current planning and New Mexico is not interested in extending lines into the state. The Chairperson asked about SPP's expected completion dates for the Spearville-Axtel and Spearville-Wichita lines. Mr. Caspary responded those dates are 2012 and 2013, respectively.

The Chairperson recognized Carl Huslig, President of ITC Great Plains. Mr. Huslig discussed three projects that ITC Great Plains proposed to the Authority, two of which are now being constructed by

other entities. He then detailed the project overview for the KETA project and the Kansas V-Plan projects ([Attachment 5](#)).

After a question from Mr. Lehman, Mr. Huslig indicated there is interest from wind developers that want access to the Spearville-Axtel line. Mr. Evans asked about any objections to the project from Westar. Mr. Huslig replied that there were no philosophical objections that he knew of from Westar. The Chairperson inquired about the potential for future upgrades.

Mr. Huslig then asked the Chairperson to recognize Ed Rahill, ITC Holdings, to expand on ITC's views on transmission and the construction plans. Mr. Rahill was recognized and discussed the role of ITC in these projects since its creation two years ago. He noted there is a great deal of communication between ITC and SPP on the project.

The Chairperson recognized James Ludwig, Westar Energy, for an update on the 345 KV line from Wichita to Salina. He stated the targeted completion date for the Wichita to Hutchinson line is December 1, 2008. The Hutchinson to Salina segment has a targeted completion date of December 1, 2009. Mr. Ludwig then gave an update on the line from Rose Hill to the Oklahoma border ([Attachment 6](#)). Mr. Lehman requested an update on the transmission partners in Oklahoma. Mr. Ludwig responded with an update and noted that Oklahoma has different application processes.

Mr. Ludwig then covered a joint venture between Westar Energy and Electric Transmission America (ETA) called Prairie Wind Transmission, LLC, which has proposed to build approximately 230 miles of 765 kilovolt transmission facilities from the Wichita area to Dodge City, and to the southwest to the Oklahoma border ([Attachment 7](#)).

Additional reference material from Mr. Ludwig was provided ([Attachment 8](#)).

The Chairperson opened the floor for other business. He mentioned an email from a wind energy company that requested KETA build a substation. He then inquired about which Board members and if staff would be attending the August 13, 2008 meeting in Little Rock. In addition to the meeting in Little Rock, the Chairperson began circulating dates in early-September for the next KETA Board meeting. The Board agreed the date for the September meeting would be set at a later time.

The Chairperson recessed the meeting at 12:05 p.m.

Afternoon Session

Members of the Authority and staff met at the Gordon Evans power facility near Colwich at 1:15 p.m. and were given an escorted tour by Westar of certain segments of the new transmission line from that location to Hutchinson. The meeting adjourned at approximately 3:00 p.m..

Respectfully Submitted,

Tim McKee, Secretary

Approved by the Board

September 3, 2008